Montana Crop & Livestock Reporter

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HIGHLIGHTS:

June 1 Crop Production Forecast
Wheat Supply & Demand Estimates
Barley 2005 County Estimates
Ag Prices Received

June 1 Winter Wheat Forecast

Based on June 1 conditions, **Montana** winter wheat producers are expecting a yield of 39 bushels per acre, down 3 bushels from the May 1 forecast and down 6 bushels from last year's final yield. If realized, the total production would be 76.05 million bushels, 20 percent below last year's 94.5 million bushels due to lower harvested acreage and lower yields. Producers expect to harvest 1.95 million acres, down 150,000 acres from last year.

For the week ending June 4 , Montana's winter wheat crop condition was rated lower than a year ago at this time with 1% very poor, 12% poor, 48% fair, 30% good, and 9% excellent compared with 3% very poor, 10% poor, 35% fair, 38% good, and 14% excellent a year ago. Above normal temperatures during most of May coupled with high winds and a relatively dry May hurt yield expectations. Conditions during the month contributed to rapid crop development. Winter wheat heading reached 23 percent for the week ending June 4 compared with 3 percent last year and 9 percent for the 5 year average.

Winter wheat production in the **United States is** forecast at 1.26 billion bushels, down 4 percent from the May 1 forecast and 16 percent below 2005. Based on June 1 conditions, the U.S. yield is forecast at 40.5 bushels per acre, down 1.9 bushels from last month and 3.9 bushels less than last year. Grain area totals 31.2 million acres, unchanged from May 1. Hard Red production is down 8 percent from a month ago to 659 million bushels. Soft Red is up slightly from last month and now totals 357 million bushels. White production totals 248 million bushels, down 2 percent from last month. Of the White production total, 19.7 million bushels are Hard White and 228 million bushels are Soft White.

As of May 28, heading had reached 79 percent in the 18 major States, 2 percentage points above the 5-year average. Progress was significantly ahead of normal during the first part of the month due primarily to above average temperatures, but was almost even with the 5-year average by the end of the month. Harvest was underway in the southern-most portions of the U.S. winter wheat growing areas.

World Agriculture Supply and Demand Estimates

The 2006/07 U.S. wheat crop is lowered 59 million bushels from last month, based on lower forecast yield of winter wheat. Projected spring wheat production is unchanged. Imports are raised 5 million bushels. Wheat feed and residual use is lowered 25 million bushels, and seed use is raised 2 million. Ending stocks are lowered 32 million bushels to 416 million. The 2006/07 price range is increased 10 cents on both ends of the range to $3.60 to $4.20 per bushel, compared with an estimated $3.42 for 2005/06.

The 2006/07 global wheat outlook includes little change in total supply and use, compared with last month. Higher production in Ukraine, Pakistan, Canada, EU-25, and several other countries is offset by lower production in the United States, Argentina, Russia, and other countries. Exports from Pakistan and Ukraine are raised a combined 1 million tons, while Argentine exports are lowered 1 million. Global ending stocks remain the lowest in 25 years.

The 2006/07 U.S. outlook for coarse grains includes projected lower beginning stocks, no change in use, and no change in the price range of $2.25 to $2.65 per bushel, compared with last month. For 2005/06, exports are increased 50 million bushels, based on the recent rapid pace of shipments and sales, and ending stocks are lowered by that amount. The old- crop price range of $1.90 to $2.10 per bushel is unchanged.

The 2006/07 global coarse grains outlook includes higher production and exports and little change in ending stocks compared with last month. The major highlight is an increase in China's corn production at 138 million tons, up 3 million from last month and slightly below the revised 2005/06 crop. China's 2005/06 corn production is raised 5.4 million tons to 139.4 million tons based on a recent report by China's National Bureau of Statistics (NBS). While the NBS only reported total grain area, other information from China indicates the corn area was larger than USDA's estimate. With last year's corn area increased and indications that this year's corn area is up from 2005/06, projected 2006/07 corn area is raised from last month. China's domestic use is increased for both years. Despite larger crops, China's domestic prices have strengthened and stocks, while forecast slightly higher than last month, will continue to tighten in 2006/07. In addition, China's 2005/06 export estimate is lowered 1 million tons this month, based on a lack of export sales.

World barley production is projected higher this month, mainly due to higher production in Russia more than offsetting smaller crops in Morocco and Tunisia.

RICE: No changes are made to the U.S. rice supply and use projections for 2005/06 and 2006/07. However, the season-average farm price range for 2005/06 is narrowed $0.05 per cwt on each end to $7.65 to $7.75 per cwt; and the season-average farm price for 2006/07 is unchanged at $9.00 to $9.50 per cwt.

Global 2006/07 rice production and consumption are increased from last month while ending stocks are lowered. Global 2006/07 rice production is projected at a record 417.5 million tons, up 0.5 million from last month. The increase in production is due primarily to larger crops projected for India (+1.0 million tons), Nepal, the Philippines, and Iran; which is partially offset by a reduction for China (-1.0 million tons). World consumption is projected at a record 424.8 million tons, up 1.6 million tons from last month. Ending stocks are projected at 60 million tons, down nearly 2 million tons from last month. The 2005/06 production estimate for China is lowered 1 million tons to 126.4 million tons based on official data from the government of China.

U.S. oilseed supply and use prospects for 2006/07 are fractionally higher this month, mostly reflecting a small increase in soybean beginning stocks. Soybean production is projected at 3,080 billion bushels, unchanged from last month. Soybean stocks are projected at a record 655 million bushels, up 5 million from last month and up 85 million from 2005/06. (continued on back page)

Barley Acreage, Yield, and Production by Counties and Districts, 2005

County and District	ALL Planted 1/ Acres	ALL Harvested Acres	ALL Yield Bushels	ALL Production Bushels	ALL Production Rank	IRRIGATED Planted 1/ Acres	IRRIGATED Harvested Acres	IRRIGATED Yield Bushels	IRRIGATED Production Bushels
Deer Lodge	--	--	--	--	--	--	--	--	--
Flathead	5,400	4,700	71	333,000	23	2,000	1,500	76	114,000
Granite	1,400	500	78	39,000	45	1,400	500	78	39,000
Lake	3,800	1,900	73	139,000	35	3,300	1,700	76	129,000
Lincoln	--	--	--	--	--	--	--	--	--
Mineral	--	--	--	--	--	--	--	--	--
Missoula	--	--	--	--	--	--	--	--	--
Powell	2,700	1,200	63	75,000	42	2,300	800	76	61,000
Ravalli	800	300	77	23,000	47	800	300	77	23,000
Sanders	700	200	50	10,000	48	--	--	--	--
Other	1,200	200	55	11,000	--	1,200	200	55	11,000
NORTHWEST	**16,000**	**9,000**	**70**	**630,000**	**--**	**11,000**	**5,000**	**75**	**377,000**
Blaine	23,000	15,700	46	719,000	14	6,600	5,300	53	283,000
Chouteau	37,000	34,000	39	1,325,000	9	--	--	--	--
Glacier	95,000	93,000	55	5,118,000	3	12,000	12,000	68	821,000
Hill	13,000	11,000	44	486,000	19	--	--	--	--
Liberty	19,000	18,800	45	844,000	10	2,200	2,200	87	192,000
Phillips	23,000	10,500	49	517,000	18	--	--	--	--
Pondera	103,000	100,000	58	5,806,000	2	42,000	39,000	76	2,971,000
Teton	85,000	84,000	70	5,864,000	1	55,000	54,500	86	4,700,000
Toole	47,000	46,000	58	2,678,000	4	--	--	--	--
Other	--	--	--	--	--	6,200	2,000	74	148,000
NORTH CENTRAL	**445,000**	**413,000**	**57**	**23,357,000**	**--**	**124,000**	**115,000**	**79**	**9,115,000**
Daniels	--	--	--	--	--	--	--	--	--
Dawson	23,000	14,700	52	764,000	12	2,700	1,700	92	156,000
Garfield	17,000	4,400	34	150,000	33	--	--	--	--
McCone	21,000	8,800	49	433,000	21	--	--	--	--
Richland	29,000	26,800	63	1,681,000	6	11,000	10,400	93	970,000
Roosevelt	7,700	2,500	66	165,000	30	2,700	1,800	70	126,000
Sheridan	--	--	--	--	--	--	--	--	--
Valley	12,000	5,300	31	163,000	31	--	--	--	--
Other	9,300	4,500	42	191,000	--	6,600	2,100	82	172,000
NORTHEAST	**119,000**	**67,000**	**53**	**3,547,000**	**--**	**23,000**	**16,000**	**89**	**1,424,000**
Broadwater	6,700	6,000	77	464,000	20	4,200	3,500	96	335,000
Cascade	37,000	34,000	56	1,888,000	5	11,800	10,700	89	947,000
Fergus	36,000	25,000	33	820,000	11	--	--	--	--
Golden Valley	--	--	--	--	--	--	--	--	--
Judith Basin	20,000	12,000	32	380,000	22	--	--	--	--
Lewis & Clark	12,000	10,500	70	733,000	13	7,400	7,100	86	608,000
Meagher	7,800	5,800	45	263,000	26	4,500	3,300	59	194,000
Musselshell	9,000	3,000	41	122,000	36	--	--	--	--
Petroleum	--	--	--	--	--	--	--	--	--
Wheatland	15,000	13,500	45	607,000	17	--	--	--	--
Other	8,500	4,200	35	149,000	--	8,100	2,400	64	154,000
CENTRAL	**152,000**	**114,000**	**48**	**5,426,000**	**--**	**36,000**	**27,000**	**83**	**2,238,000**
Beaverhead	7,500	1,800	87	157,000	32	7,100	1,800	87	157,000
Gallatin	27,000	25,500	65	1,648,000	7	9,800	8,800	86	757,000
Jefferson	--	--	--	--	--	--	--	--	--
Madison	4,800	1,600	56	90,000	39	4,500	1,300	62	81,000
Silver Bow	--	--	--	--	--	--	--	--	--
Other	700	100	80	8,000	--	600	100	80	8,000
SOUTHWEST	**40,000**	**29,000**	**66**	**1,903,000**	**--**	**22,000**	**12,000**	**84**	**1,003,000**
Big Horn	15,000	9,800	72	703,000	15	7,800	5,300	97	514,000
Carbon	9,500	7,300	91	661,000	16	7,500	6,500	98	636,000
Park	6,000	3,500	59	206,000	27	3,800	2,300	68	156,000
Stillwater	17,800	10,300	32	325,000	24	1,600	900	94	85,000
Sweetgrass	2,400	900	46	41,000	44	1,300	400	55	22,000
Treasure	3,300	2,800	97	271,000	25	2,700	2,500	104	260,000
Yellowstone	22,000	18,400	79	1,452,000	8	14,300	13,100	98	1,278,000
Other	--	--	--	--	--	--	--	--	--
SOUTH CENTRAL	**76,000**	**53,000**	**69**	**3,659,000**	**--**	**39,000**	**31,000**	**95**	**2,951,000**
Carter	12,000	1,700	36	61,000	43	--	--	--	--
Custer	6,300	2,500	46	116,000	37	1,800	1,000	72	72,000
Fallon	7,600	2,100	37	77,000	40	--	--	--	--
Powder River	6,500	4,200	27	115,000	38	--	--	--	--
Prairie	7,400	1,400	55	77,000	40	1,100	300	73	22,000
Rosebud	6,700	2,200	90	198,000	28	3,800	1,600	103	164,000
Wibaux	5,500	900	38	34,000	46	--	--	--	--
Other	--	--	--	--	--	300	100	40	4,000
SOUTHEAST	**52,000**	**15,000**	**45**	**678,000**	**--**	**7,000**	**3,000**	**87**	**262,000**
MONTANA	**900,000**	**700,000**	**56**	**39,200,000**	**--**	**262,000**	**209,000**	**83**	**17,370,000**

1/ Counties with less than 500 acres planted are combined into “other” counties to avoid disclosure of individual information.

April Ag Prices Received

April 2006 full month crop prices were mixed compared with March 2006. When compared with March 2006, Montana's winter wheat price was $3.79 per bushel, up $0.06; spring wheat price was down $0.08 to $3.89 per bushel; durum wheat prices increased $0.01 to $3.43 per bushel; feed barley was down $0.05 to $1.68 per bushel; and malt barley was $3.30 per bushel, up $0.10.

The mid-May price for alfalfa hay rose $10.00 to $71.00 per ton and all other hay increased $8.00 to $73.00 per ton. Mid-May grain prices were mostly higher when compared with April. The winter wheat price was $4.19 per bushel, spring wheat was $4.03 per bushel, durum wheat was $3.64 per bushel, malt barley was $3.70 per bushel and feed barley was $1.54 per bushel.

Livestock prices for the full month of April were lower when compared with the previous month. Steer and heifer prices were down $2.00 to $111.00 per cwt and cows decreased $2.90 to $49.50. The price for calves dropped $10.00 to $131.00 per cwt. Sheep prices dropped $12.10 to $26.00 per cwt and lamb prices fell $11.10 to $84.70 per cwt. Milk prices decreased $1.30 per cwt from March to $12.90 per cwt. Mid-month May steer and heifer prices were $97.10 per cwt; cows were $49.90 per cwt; calves were $129.00 per cwt; and milk prices were $12.30 per cwt.

Nationally, prices for April and changes from March were as follows: winter wheat was $3.76, down $0.06, spring wheat was $3.94, up $0.09; durum wheat was $3.40, up $0.01; the all barley price was $2.67, down $0.04; steer and heifer prices were $89.30, down $3.70 per cwt; and calf prices were down $3.00 to $135.00.

The U.S. mid-May winter wheat price was $4.10 per bushel; spring wheat was $4.10 per bushel; durum wheat was $3.54 per bushel; all wheat was $4.07 per bushel; malt barley was $3.06 per bushel; feed barley was $1.78 per bushel; and all barley was $2.70. Steer and heifer prices were $85.80 per cwt; cow prices were $48.00 per cwt, calves were $132.00 per cwt; all hog prices were $47.20 per cwt; and all egg prices were $0.439 per dozen.

The preliminary All Farm Products Index of Prices Received by Farmers in May, at 114, based on 1990-92=100, increased 1 point (0.9 percent) from April.

United States Index Summary

INDEX (1990-92=100)	April 2005	May 2005	April 2006	May 2006
Prices Received	121	119	113	114
Prices Paid, Interest, Taxes, & Farm Wage Rages 1/	140	140	146	146
Ratio 2/	86	85	77	78

1/ Prices paid indexes (1990-92=100) published monthly.   2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	UNIT	Monthly Average				Change From Previous		Mid-Month Average	
		Montana			U.S.	Month	Year	Montana	U.S.
		April 2005	March 2006	April 2006	April 2006	March 2006	April 2005	May 15, 2006	May 15, 2006
		Dollars							
Winter Wheat	Bu.	3.40	3.73	3.79	3.76	+0.06	+0.39	4.19	4.10
Durum Wheat	Bu.	3.80	3.42	3.43	3.40	+0.01	-0.37	3.64	3.54
Spring Wheat	Bu.	3.46	3.97	3.89	3.94	-0.08	+0.43	4.03	4.10
All Wheat	Bu.	3.50	3.77	3.79	3.81	+0.02	+0.29	4.05	4.07
Barley, All	Bu.	2.84	3.00	2.99	2.67	-0.01	+0.15	3.29	2.70
Feed Barley	Bu.	1.66	1.73	1.68	1.83	-0.05	+0.02	1.54	1.78
Malt Barley	Bu.	3.27	3.20	3.30	2.91	+0.10	+0.03	3.70	3.06
Oats	Bu.	1.74	1.71	NA	1.75	NA	NA	NA	1.76
Alfalfa Hay	Ton	75.00	67.00	61.00	110.00	-6.00	-14.00	71.00	118.00
All Other Hay	Ton	67.00	56.00	65.00	93.20	+9.00	-2.00	73.00	96.80
All Hay Baled	Ton	73.00	66.00	61.00	106.00	-5.00	-12.00	71.00	114.00
Steers & Heifers	Cwt	107.00	113.00	111.00	89.30	-2.00	+4.00	97.10	85.80
Cows	Cwt	59.50	52.40	49.50	48.50	-2.90	-10.00	49.90	48.00
Beef Cattle 1/	Cwt	86.10	93.60	86.40	84.80	-7.20	+0.30	66.40	81.80
Calves	Cwt	134.00	141.00	131.00	135.00	-10.00	-3.00	129.00	132.00
Sheep	Cwt	43.40	38.10	26.00	34.90	-12.10	-17.40	na	NA
Lambs	Cwt	115.00	95.80	84.70	86.80	-11.10	-30.30	NA	NA
All Milk	Cwt	16.40	14.20	12.90	12.10	-1.30	-2.50	12.30	12.00

1/ Composite of steers, heifers, and cows.   NA-not available.

World Ag Supply and Demand estimates (continued from front page)

The U.S. season-average soybean price for 2006/07 is unchanged at $5.10 to $6.10 per bushel, compared with a projected $5.65 per bushel in 2005/06. Soybean meal prices for 2006/07 are projected at $155 to $185 per short ton and soybean oil prices are projected at 22.5 to 26.5 cents per pound, both unchanged from last month.

Changes for 2005/06 include a 5-million bushel reduction in soybean crush reflecting lower-than-expected domestic soybean meal use in recent months. Increased soybean meal exports partly offset reduced domestic use. Soybean oil production, exports, and domestic use are all reduced this month, leaving soybean oil stocks fractionally lower. Soybean ending stocks are increased 5 million bushels to 570 million bushels. Soybean oil prices for 2005/06 are projected at 23.25 cents per pound, up 0.25 cents.

Global oilseed production for 2006/07 is projected at 389.4 million tons, down 0.7 million tons from 2005/06 and down 0.6 million tons from last month. Foreign oilseed production is projected at 294.7 million tons, up 0.8 million tons from 2005/06. Global soybean production is projected to increase 1.9 million tons to a record 222 million tons. Higher yields in Brazil and increased area for Argentina will help push South American production to a record 105 million tons, up 3 million from 2005/06. The Brazilian crop is projected at 56 million tons, up only slightly from a revised estimate of 55.7 million tons for 2005/06 as higher yields mostly offset reduced harvested area. Argentina soybean production is projected at a record 41.3 million tons due to increased area. Global production of high-oil content seed is down 4 percent due to lower rapeseed and sunflowerseed production. Rapeseed production is projected lower for Canada and India, and production for EU-25 and China are projected almost unchanged from 2005/06. Sunflowerseed production is lower for 2006/07 mainly due to reduced crop prospects for Russia and Ukraine.

Global protein meal consumption is projected to increase 4 percent in 2006/07 mainly due to gains for soybean meal. Protein meal consumption is projected to increase 7 percent for China, which accounts for 40 percent of the increase in global protein consumption. World soybean trade is projected to reach a record 71 million tons, up 7 percent from 2005/06. China accounts for most of the increase in global trade with imports expanding 4 million tons to 31.5 million tons. Global vegetable oil consumption is projected to rise 5 percent led by increases for EU-25, China, and India. Increased consumption in EU-25 is primarily due to increased industrial use of rapeseed and palm oil as biodiesel production continues to expand. Global vegetable oil ending stocks are projected to decrease 9 percent from 2005/06.

Wheat: Supply, Disappearance, and Price, United States, 1989-2006

Year Beginning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Beginning Stocks	Production	Imports 1/	Total	Domestic Use				Exports 1/	Total Disappearance		
					Food	Seed	Feed 2/	Total				
	-- Million Bushels --											$
1989	702	2,037	23	2,765	749	104	139	992	1,233	2,225	536	3.72
1990	536	2,730	36	3,302	790	93	482	1,365	1,068	2,434	868	2.61
1991	868	1,980	41	2,888	789	94	244	1,127	1,280	2,412	475	3.00
1992	475	2,467	70	3,012	834	99	194	1,128	1,354	2,481	531	3.24
1993	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26
1994	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002	777	1,606	81	2,464	919	84	119	1,122	850	1,972	491	3.56
2003	491	2,345	63	2,899	912	80	203	1,194	1,158	2,353	546	3.40
2004	546	2,158	71	2,775	905	78	190	1,172	1,063	2,235	540	3.40
2005	540	2,105	80	2,725	910	78	190	1,178	1,000	2,178	547	3.42
2006 3/	547	1,814	100	2,461	915	80	150	1,145	900	2,045	416	3.60-4.20

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary. SOURCE: World Agricultural Supply and Demand Estimates, June 2006--ERS. Totals may not add due to independent rounding.

COMING IN NEXT REPORTER

Potato Stocks
Milk Production
Cattle on Feed
Egg Production
Red Meat Production
Hogs and Pigs
Grain Stocks
Crop Acreage

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